

BINDER &  
SCHWARTZ

Wendy H. Schwartz  
Binder & Schwartz LLP  
366 Madison Avenue 6th Floor  
New York, NY 10017

(T) 212.510.7143  
(F) 212.510.7299  
wschwartz@binderschwartz.com

August 8, 2019

**By ECF**

The Honorable Valerie Caproni  
United States District Court  
Southern District of New York  
40 Foley Square, Room 240  
New York, New York 10007

USDC SDNY  
DOCUMENT  
ELECTRONICALLY FILED  
DOC #:  
DATE FILED: 8/9/2019

**MEMO ENDORSED**

Re: Grablis v. Onecoin Ltd., et al., Case No. 19-04074 (VEC)

Dear Judge Caproni:

We represent defendant Mark Scott in the above-referenced litigation. We write to request a conference with the Court to discuss our contemplated motion for a stay of the above-referenced litigation during the pendency of Mr. Scott's criminal trial, which is currently scheduled to commence in the Southern District of New York before the Honorable Edgardo Ramos on October 7, 2019. Absent a stay, Mr. Scott's deadline to answer, move or otherwise respond to the Amended Complaint could be as early as September 6, 2019.<sup>1</sup> See ECF Doc. No. 39.

The criminal proceedings against Mr. Scott and this civil proceeding both concern Mr. Scott's purported involvement with principals of a cryptocurrency company called "One Coin." Both the criminal and civil proceedings against Mr. Scott will involve a determination of whether One Coin was a fraud and, if so, whether Mr. Scott had any involvement in allegedly laundering the proceeds of the alleged fraud. Mr. Scott has been indicted and his criminal trial is scheduled to commence in approximately two months.

The facts, circumstances, and timing of the proceedings against Mr. Scott weigh in favor of granting a stay and we respectfully request that the Court exercise its discretion to do so until completion of his criminal trial. See, e.g., *Volmar Distribs., Inc. v. New York Post Co., Inc.*, 152 F.R.D. 36, 39 (S.D.N.Y. 1993) ("[t]he strongest case for granting a stay is where a party under criminal indictment is required to defend a civil proceeding involving the same matter"); see also *Securities and Exchange Comm'n v. Blaszczyk*, No. 17-cv-3919, 2018 WL 301091 (S.D.N.Y. Jan. 3, 2018). Absent a stay, the privileges afforded to Mr. Scott under the Fifth Amendment will be undermined and his criminal trial might be prejudiced if he is forced to respond to the Amended Complaint prior to his criminal trial.

A stay of these proceedings will not unduly prolong the civil litigation and, because of the significant overlap of issues with the imminent criminal trial, may reduce the number of

---

<sup>1</sup> We note that the filing of the Amended Complaint was rejected due to filing errors and, to date, has not been re-filed.

The Hon. Valerie Caproni  
August 8, 2019  
Page 2

issues to be decided in this proceeding. Additionally, Plaintiffs have to date not filed proof of service for three initial defendants who are the primary alleged wrongdoers -- OneCoin itself, Ruja Ignatova, OneCoin's alleged founder, and Sebastian Greenwood, OneCoin's alleged marketer, and they have not yet appeared in this action. Moreover, Plaintiffs recently filed an Amended Complaint that added three more defendants for whom proof of service has not been filed and who also have not appeared in this action. The requested stay will also ensure that the case does not proceed until it can be handled on a coordinated schedule as against all defendants, including, most importantly, those alleged to be primarily responsible for the alleged fraud.

Plaintiffs' counsel did not respond to a voicemail and follow-up email asking whether or not they consent to a stay of the proceedings. Counsel for Mr. Ignatov, the only other defendant who has appeared in this action, consents to this request.

We are available for a conference at the Court's convenience and thank the Court for considering this request.

Respectfully submitted,

/s/ Wendy H. Schwartz  
Wendy H. Schwartz

cc: All counsel of record (via ECF)

No later than **August 14, 2019**, Lead Plaintiff and any Defendant who has appeared must respond to this motion.  
SO ORDERED.

 8/8/2019

HON. VALERIE CAPRONI  
UNITED STATES DISTRICT JUDGE